

Memorandum

To: Representatives of Telecommunications Carriers Operating in Illinois (See Attached List)

From: Dianna Hathhorn, Accounting Department

Date: August 27, 2004

Subject: Proposed changes to 83 Ill. Adm. Code 710, Uniform System of Accounts for Telecommunications Carriers

An electronic copy of Staff proposed changes to 83 Ill. Adm. Code 710 (Part 710), Uniform System of Accounts for Telecommunications Carriers (USOA) in legislative style is available on the ICC website at www.icc.state.il.us. The proposed changes are as follows:

1. Adoption Of 47 CFR 32 As of January 1, 2005;
2. Repeal of Deviations No Longer Necessary;
3. Clarification of Applicability Language; and
4. Housekeeping Changes.

Please review these proposed changes and provide any comments to me by September 30, 2004. If I do not hear from you by that date, I will assume that these changes are acceptable to your utility. Please call me as well with any difficulties obtaining the document from the Commission's web site. My phone number is (217) 785-5426.

The changes to the USOA are explained in more detail below.

Adoption Of 47 CFR 32 As Of January 1, 2005

The purpose of amending Part 710 is to adopt the latest changes adopted by the FCC. The current Part 710 adopts 47 CFR 32 as of January 1, 2003. The proposed changes will adopt 47 CFR 32 as of January 1, 2005. In other words, Illinois will incorporate the Final Rules of the FCC, as shown in Appendix B to CC Docket No. 00-0199 released June 24, 2004, into the Illinois Uniform System of Accounts for Telecommunications Carriers (USOA).

Repeal of Deviations No Longer Necessary

In the previous revision of Part 710, the ICC adopted a deviation to Section 710.5200 to require separate subsidiary records be kept for directory revenues. In 47 CFR 32 as of January 1, 2005, the FCC has reinstated Account 5230, Directory revenues, therefore the deviation in Part 710 is no longer necessary. A similar repeal is also necessary to Section 710.6620, Services, to eliminate the now redundant Part 710 language.

Clarification of Applicability Language

Staff recommends that Sections 710.1 and 710.11 be amended to make it clear that Part 710 applies to telecommunications carrier(s) as defined in Section 13-202 of the Public Utilities Act. Without these clarifications, Staff believes there is unnecessary ambiguity between Sections 710.1 and 710.11 as to which entities these rules govern.

Housekeeping Changes

A change to Section 710.27 is required to update the FCC bureau name from Common Carrier to Wireline Competition Bureau. Another change, in Section 710.4340, is required to change the annual report references from the FCC to the ICC reports.